



STATE OF DELAWARE

OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CGFM, CFE
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April 27, 2005

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Ms. Catherine Sielski
Head of School
Kuumba Academy Charter School
519 North Market Street
Wilmington, DE 19801

Dear Secretary Woodruff and Ms. Sielski:

SUBJECT: FINAL REPORT ON KUUMBA ACADEMY CHARTER SCHOOL

We have completed an agreed-upon procedures attestation engagement of Kuumba Academy Charter School (the School). The engagement included student accounting and enrollment. The purpose of the engagement was to determine the School's compliance with specific laws and to report findings as a result of procedures performed.

I trust the information contained therein will be helpful and informative.

Sincerely yours,

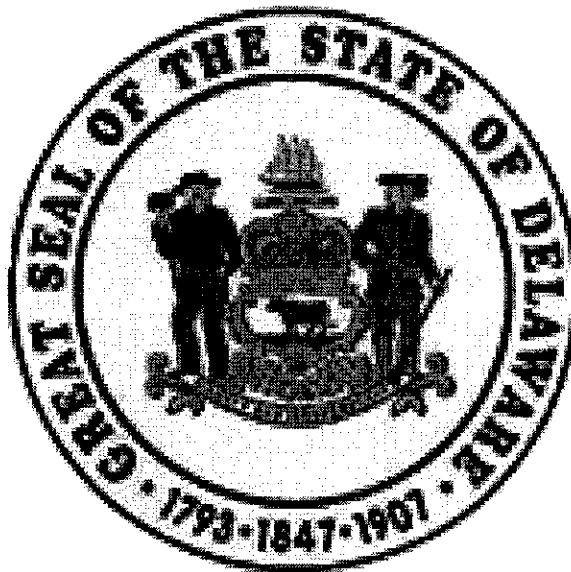
OFFICE OF AUDITOR OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE
Auditor of Accounts

RTW:KVV:CLF
Enclosure

**OFFICE OF AUDITOR OF ACCOUNTS
KUUMBA ACADEMY CHARTER SCHOOL
AGREED-UPON PROCEDURES
ATTESTATION ENGAGEMENT**

September 30, 2004



**R. THOMAS WAGNER, JR., CGFM, CFE
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PHONE: (302) 739-4241
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Independent Auditor's Report
on Applying Agreed-Upon Procedures

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Ms. Catherine Sielski
Head of School
Kuumba Academy Charter School
519 North Market Street
Wilmington, DE 19801

Dear Secretary Woodruff and Ms. Sielski:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and Kuumba Academy Charter School (the School). The procedures were performed solely to assist the specified parties in evaluating the School's compliance and the effectiveness of the School's internal control over compliance with State laws and regulations in regard to Student Accounting and Enrollment. Procedures were performed for Student Accounting and Enrollment as of September 30, 2004. Management of the School is responsible for the School's compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures were as follows:

Student Enrollment

- Evaluated the adequacy of in-house policies and procedures governing the preparation of the September 30, 2004 count.
- Inspected supporting documentation to confirm the number of eligible students versus the number reported by the School to the Department of Education (DOE) for inclusion in the September 30, 2004 student count and calculated the dollar impact of disallowed students (if applicable).

The Honorable Valerie A. Woodruff
Ms. Catherine Sielski
April 27, 2005
Page 2

- Selected ten percent (or a minimum of five) "Individualized Education Program" (IEP) files at the School to verify that each file contained the required documentation in accordance with the DOE's Administrative Manual and calculated the dollar impact of disallowed students, if applicable.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Comptroller General, Attorney General, Office of Budget, and the Department of Finance.

Sincerely yours,

OFFICE OF ~~AUDITOR~~ OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE
Auditor of Accounts

Engagement fieldwork completed
February 15, 2005

RTW:KVV:CLF

SCHEDULE OF FINDINGS

Procedure Agreed Upon#1

Evaluated the adequacy of in-house policies and procedures governing the preparation of the September 30th student count.

Finding

According to the State of Delaware Budget and Accounting Policy Manual "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." Additionally, the Manual states "Internal control provides management with reasonable assurance that its policies and procedures are implemented and consistently followed to ensure efficient and effective organizational operation." Further, the Manual states "A well designed system of controls must include written policies and procedures to ensure that each control objective is met".

Kuumba Academy Charter School utilizes DOE issued manuals and memorandums. These manuals and memorandums provide guidance regarding the eligibility of students; however, they do not address the School's internal operations regarding the preparation, review, and reporting of student enrollment figures. Although the School maintains written policies and procedures for September 30th student count, the written policies are inadequate.

Recommendation

Kuumba Academy Charter School further develop and implement in-house written policies and procedures governing the preparation, review and reporting of the September 30th student enrollment figures to the Department of Education. These policies and procedures should incorporate information such as:

- Attendance taking methodology
- Verification of attendance by upper level administrative staff
- Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound documentation, documentation concerning any child that is placed in an alternative education setting, engineering, etc.)
- How the School ensures that required information is included on IEP's (necessary signatures, goals, benchmarks, and objectives, etc.)
- How the School ensures that required documentation is maintained for students in vocational or co-op programs (if applicable)
- References to pertinent rules and regulations stipulated by DOE or DE Code
- Records retention policy

SCHEDULE OF FINDINGS

Auditee Response

School officials stated, "Kuumba has been performing the required procedures to ensure the school's periodic unit counts are accurate and in compliance with DOE guidelines. However, Kuumba did not specifically address the above mentioned policies and procedures in a written format. Kuumba is in the process of revising its September 30th policies and procedure to ensure it adequately outlines the reporting process and requirements."

Procedure Agreed Upon#2

Inspected supporting documentation to confirm the number of eligible students versus the number reported by the School to the Department of Education (DOE) for inclusion in the September 30, 2004 student count and calculated the dollar impact of disallowed students (if applicable).

Finding

According to A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30th Enrollment and Unit Computation (dated August, 2004), "Each enrollee is classified into one of the following enrollment groups...(1) regular (R), (2) full-time special education (F), and (3) a combination of regular and special education; part-time special (P)..."

Kuumba Academy Charter School claimed a kindergarten student in both the regular and special education enrollment figures for school year 2004/2005. The student was eligible for inclusion in the special education count figures. The student was not eligible for inclusion in the regular education count figures. The disallowance of one student from the regular count resulted in the reduction of units for the School from 13.48 to 13.45 and the loss of funding in the amount of \$1,509.

Recommendation

Kuumba Academy Charter School revise its records and documentation to accurately reflect the enrollment figures.

Kuumba Academy Charter School repay \$1,509 to the State of Delaware.

Auditee Response

School officials stated, "This finding appeared to be an oversight in reporting. Kuumba has taken the appropriate correct action to ensure the school's unit counts are free from any errors." Officials acknowledged that the repayment would be processed.

DOLLAR IMPACT/SAVINGS

The following dollar/impact savings were identified as a result of applying the specified agreed upon procedures:

Disallowance of one student from the regular education count, resulting in the reduction of units from 13.48 to 13.45.	\$1,509.00
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DISTRIBUTION OF REPORT

Copies of the School's Agreed-upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Jennifer Davis, Budget Director, Office of the Budget

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable M. Jane Brady, Attorney General, Office of the Attorney General

Other

Dr. Joseph A. Pika, President, State Board of Education
Ms. Dorcell S. Spence, Associate Secretary of Education, Finance and Administrative Services Branch, Department of Education
Mr. Jerry Gallagher, Director, Financial Management, Department of Education
Ms. Becki Surguy, Financial Management Specialist, Department of Finance
H. Raye Jones-Avery, President, Kuumba Academy Charter School, Board of Education
Members, Kuumba Academy Charter School, Board of Education

This report is also available at no charge on the Office of Auditor of Accounts website at www.state.de.us/auditor/index.htm or by requesting a copy in writing to:

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